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SUBJECT: 2008 Investment Climate Statement for Belarus

REF: STATE 158802

1. Per reftel, the follow is the 2008 Investment Climate Statement for Belarus:

Openness to Foreign Investment  
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The government of Belarus officially welcomes foreign investment, which is seen as a source of new production technologies, jobs and hard currency. The factors that attract foreign businessmen to Belarus include good geographical position, a well-developed infrastructure, highly qualified and relatively inexpensive labor force. At the same time, the country's business climate did not improve substantially and a generally cautious attitude of the authorities toward FDI prevailed. President Aleksandr Lukashenko noted on several occasions that he does not want FDI, which would create extra competition to Belarus' main exports: tractors, trucks, etc. but welcomed such investment in areas of production Belarus lacks. In July 2007 Lukashenko threatened retaliation against U.S. companies in Belarus in the event the U.S. government enacted new sanctions against his regime.

In the first half of 2007, Belarus attracted \$2.3 billion in foreign investment, 22% of which came in the form of foreign direct investment. Most foreign direct investment during this period came from Switzerland (39%), Russia (16%) and Cyprus (14%). Russia's Gazprom was allowed to purchase an initial 12.5% stake of the Belarusian state-owned gas pipeline monopoly, Beltransgaz, and will own 50% of the company by 2011. Additionally, the government allowed a minority stakeholder of one of the major cell phone service providers, Velcom, to purchase a majority stake. In both instances, however, analysts criticized the privatization for lacking transparency.

The Investment Code of the Republic of Belarus, passed on June 22, 2003, is the major Belarusian law affecting all forms of investment activities. The list of such activities includes acquisition of assets, stocks, intellectual property rights, concessions and creation of "greenfield" businesses.

The judicial system generally upholds the sanctity of contracts. However, courts may give in to pressure from authorities.

There is no particular discrimination against foreign investors in Belarus at the initial or any later stages. The tax regime for businesses with and without foreign investments is now identical. However, the government discriminates against foreign firms in its tender policies. Also, the government discriminates in favor of state-owned businesses.

Generally, both central and local governments' policies reflect a distrust and discrimination against private enterprise and profit and therefore are not always conducive to a favorable business climate. It should be noted, however, that such discrimination

equally applies to private businesses with and without foreign investment. The government of Belarus openly states that it wants to maintain tight control over all economic activity in Belarus.

In 2006, there were certain improvements in foreign ownership and control issues. The notorious "Golden Share" rule (which dictates that the government may renationalize firms in which it formerly owned at least one share) and limits on foreign shares in the charter fund were removed for the banking sector in 2006, allowing substantial new foreign investment. Nevertheless, "Golden Share" is still applied from time to time in other industries, if the government has or ever had at least one share in a company.

As was noted above, foreign investments are no longer unconditionally welcome in Belarus. The government claims it works to create equal conditions for domestic and foreign investors in Belarus. In practice, however, foreign investments undergo additional screening and are allowed only on a case-by-case basis. Major screening criteria used by local governments include the introduction of modern technology, the number of jobs created, scope of financial investment, potential competition with existing domestic producers, etc. Also, while under the law there are no unconditional requirements on local content, workforce, exports, etc., the government highly recommends them to foreign investors. Sometime, political criteria come into play, e.g. in 2006 a Belarusian-Iranian JV started assembling Iranian "Samand" cars (outdated equivalent of the French Peugeot).

Most sectors of Belarus' economy are open for investment. Industries generally closed for investment for all countries except Russia include defense, state security and related industries.

The Embassy is not aware of any instances in which a foreign investor was formally denied national treatment or MFN treatment.

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However, as noted above, Lukashenko has made public statements against foreign investment in some sectors. It should also be noted that the most profitable business areas in Belarus (e.g. refining crude oil, trade in tobacco and alcohol, lotteries, etc.) have been gradually taken over by businesses connected to the Presidential Administration. So, in this context, other private businesses, domestic and foreign alike, are discriminated against equally.

The Embassy has not received any complaints of discrimination against foreign investors in connection with privatization, although there were very few instances of such participation. Under the law, foreign investors enjoy the same privatization rights as their Belarusian counterparts. In reality, however, the government tries to keep tight control over all the country's major industries, especially those that are highly profitable. It took Russia's Gazprom many years of painful talks with the Belarusian government to finally receive permission to buy 50% of Belarus' gas transportation company Beltransgaz. The deal was signed in January 2007, and came in the wake of a long and dramatic energy stand-off between the governments of both countries and was in a sense political.

#### Conversion and Transfer Policies

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There have been no reported problems with converting and transferring funds to or from Belarus. According to the National Bank of Belarus, conversion/remittance system in the country is more organized and streamlined than in many other countries of the former USSR. The Embassy is not aware of any plans to change remittance policies, although some independent economic analysts predict possible difficulties with acquiring freely convertible currencies as Belarus' balance of payments worsens.

#### Expropriation and Compensation

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Expropriation of private property happens in Belarus from time to time. Expropriation usually takes the form of a reversal of privatization. The government has also sought to secure a majority

share in many joint stock companies, sometimes under flimsy pretexts, though officially claiming it seeks to secure the interests of workers, e.g. long loss-making, wage payment arrears, etc. Such acts are not related to any particular industry and are not targeted exclusively at international firms; foreign and domestic assets alike are subject to expropriation, sometimes to the benefit of businesses under the control of the Presidential Administration. Successful "independent" businessmen are often forced out of business through commonly employed bureaucratic methods, such as licensing, Golden Share, etc.

In the recent past there have been instances of confiscation/nationalization of business property as a penalty for some violations of law, although the Embassy received no such reports in 2007. Under the Investment Code, fair compensation for the nationalized/expropriated property should be offered. However, the government, when nationalizing/expropriating property, refers to breaches of business law and, consequently, offers no compensation.

Private businesses in Belarus, foreign and domestic alike, often prefer to start a project from scratch and thus avoid potential risks connected with privatization.

#### Dispute Settlement -----

The judiciary is not independent from the executive and therefore cannot always provide a reliable and impartial mechanism for resolving disputes.

The tax authorities have the power to seize money from bank accounts based on their unilateral determination that taxes are due.

The Embassy is not aware of any large investment disputes over the last few years involving U.S. or other foreign investors or contractors.

The country has a commercial law, though it contains inconsistencies and is largely not business friendly.

Belarus' bankruptcy law was passed in 1991 and significantly amended in 2001 and 2003. Nevertheless, independent observers note that though many state enterprises operate at a significant loss, bankruptcy proceedings are seldom contemplated.

Belarus is a member of the International Center for the Settlement of Investment Disputes (ICSID) (also known as the Washington Convention). It is also a member of the New York Convention of 1958

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on the recognition and enforcement of foreign arbitral awards. In principle, the government of Belarus accepts binding international arbitration of investment disputes between foreign investors and the state, although the Embassy is not aware of any cases where this has been put to the test.

#### Performance Requirements and Incentives -----

It is highly unlikely that Belarus will become a WTO member in the foreseeable future.

In private projects, there is no limitation on foreign content. In public projects the share of foreign investment normally cannot exceed 49%. As an exception, in early 2007, it was announced that Gazprom would be allowed to buy 50% of shares in Beltransgaz, Belarus' gas transportation monopoly, by 2010.

According to the Belarus Investment code, foreign investment is prohibited in areas affecting the defense and security of the country, unless the president decides otherwise. It is also prohibited in the manufacturing and sale of narcotic and toxic substances, according to a list established by the Ministry of Health.

Belarus seldom applies performance requirements or incentives to domestic or foreign investors. Largely command-style and prohibitive regulations and instructions prevail. Often, they have no direct connection to what companies do for business. For example, it has become common that businesses in Belarus are approached by the authorities with all kinds of informal and sometimes exotic "requests", e.g. donate money for the construction of the National Library, pave the sidewalk or paint the fence on the neighboring street, etc. If companies refuse, authorities normally exert significant pressure, often through special taxes, and fire and police inspections. Most companies concede to the requests just to be left alone. Nevertheless, large international businesses seldom give in to pressure - they appeal directly to the central government, or Embassies of their respective countries, and/or protest in the independent media that remain; often with positive results. Good personal contacts in the government are essential for many local businesses when addressing more than normal businesses concerns.

Sometimes in large-scale projects with foreign investment there is a requirement that nationals own shares, or that the share of foreign equity be reduced over time, or that technology be transferred on certain terms. However, Belarus has had few such projects so far and it did not become a common practice.

The Embassy is not aware of any "offset" requirements imposed by the government.

Foreign investments are screened by central or local governments and are allowed only on a case by case basis. Major criteria used by local government for screening include the number of created jobs, scope of financial investment, potential competition with existing domestic producer, etc. Also, the authorities usually require that investors purchase from local sources and export a certain percentage of output, though that often depends on the project, its volume and industry.

In 2005 and 2006, enterprises with foreign investment lost substantial customs, tax and other privileges. The Belarusian parliament changed the Investment Code to make conditions for foreign and domestic investors equal. Sometimes, the Belarusian government provides additional benefits ad hoc, particularly to major high profile investors.

To the Embassy's knowledge, U.S. and other foreign firms are able to participate in government financed and/or subsidized research and development programs, e.g. Belarus High Tech Park (<http://www.park.by/en>). There are occasional reports that preference is sometimes given to businesses with a considerable state share.

To date, there have been no discriminatory or excessively onerous visa, residence or work permit requirements inhibiting foreign investors, nor have there been restrictions placed on the numbers or duration of employment of foreign managers brought in to supervise foreign investment projects. In practice, however, few firms employ significant numbers of foreigners, apart from Russian citizens, who benefit from special visa treatment.

The government has an announced policy of import substitution and actively encourages people, as well as state-owned and private businesses to buy locally made goods and services. The government tries to control prices on goods and services, as well as salaries of workers and managers. Businesses have to provide information on

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their prices to the local authorities and they, in turn, provide instructions on the time and amount of salary increases. The government also has onerous non-tariff trade barriers, e.g. excessive number of licenses/clearances that businesses must secure, etc.

#### Right to Private Ownership and Establishment -----

The Belarusian Constitution proclaims the equality of private and

public enterprises. In theory, both foreign and domestic enterprises may establish and engage in most forms of remunerative activity. In practice, however, private businesses are often disadvantaged compared to their public counterparts. For example, tax exemptions and benefits are provided usually to fully state-owned businesses or joint stock companies in which the government holds a majority share.

Disputes and problems that arise over foreign investors' activities in Belarus are not different from those experienced by local businesses.

Speaking to Russian journalists in November 2005, the Belarusian president stated the following: "The private entrepreneur cares little about the state and people. He cares more about his income. Government should not ignore this, especially in cases when private property results from privatization. I welcome property created at the expense of an entrepreneur's own labor, rather than through the purchase of business from a state for \$1 million. Then, billions of dollars are earned over ten years and the business is sold back to the state for \$10-15 billion. I am against such tricks with property and against such private property."

In accordance with Belarusian law, the following items are in exclusive state ownership:

- \* munitions;
  - \* defense infrastructure assets including civil defense assets;
  - \* facilities producing, storing and selling narcotic and psychotropic substances, as well as organizations growing, processing and selling plants containing narcotic substances (including hemp);
  - \* facilities producing, storing and selling caustic and poisonous substances which can pollute the environment or endanger human beings, except facilities providing agrochemical services in agriculture;
  - \* disposal of household, industrial, radioactive and chemical waste;
  - \* extraction and processing of precious metal ores, precious stones, potassium ores, radioactive and rare earth elements;
  - \* patenting, standardization, metrology, certification, geodesy and cartography;
  - \* pre-school education, out-of-school educational services, institutions, orphanages, boarding schools for orphans and disabled children;
  - \* water-supply and sewage, city street lighting;
  - \* backbone and international power grids;
  - \* heat supply;
  - \* natural gas supply: gas-distributing points, underground depots of liquefied gas;
  - \* oil and oil-product pipelines;
  - \* grain storages;
  - \* public roads, bridges, overpasses, tunnels;
  - \* railroad transportation;
  - \* air traffic control, national and military airports;
  - \* underground and urban electric transport;
  - \* forestry enterprises;
  - \* water distribution and melioration;
  - \* production and storage of national bank notes and coins not yet issued;
  - \* production and storage of state securities;
  - \* historical and cultural heritage (state archives, state libraries, state art galleries);
  - \* interregional and regional stations and laboratories, posts and other organizations of the Republican Hydrometeorology Center, as well as laboratories and organizations of Ministry of Natural Resources and Environmental Protection;
  - \* scientific organizations of the National Academy of Sciences and the Academy of Agrarian Sciences of Belarus;
  - \* customs infrastructure;
  - \* enterprises and objects of correctional labor institutions;
  - \* cemeteries and crematoria;
  - \* state sanitary control;
  - \* cryptographic equipment;
  - \* research-production organizations of the Belarusian State Research-Production Concern of Machinery and Instruments, Belarusian State Research-Production Concern of Powder Metallurgy.
- Protection of Property Rights
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The concept of mortgage exists and is governed by the Civil Code. However, a draft law on mortgage is still being prepared.

Belarusian law gives land ownership rights to individuals only. Businesses cannot own land, unless they secure land ownership permission from the president. Sales of state-owned buildings are allowed, though sales above a certain value are subject to clearance by the president. The procedure, like most in Belarus, is highly bureaucratic and imposes considerable time costs.

- Intellectual property:

Belarus is a member of the Paris Convention for the protection of industrial property, the Geneva Universal Convention, the Bern Convention for the protection of literary and artistic works, the WIPO copyright treaty and the WIPO performances and phonograms treaty. In addition, Belarus joined the Geneva Phonogram Convention. Nevertheless, there still is no retroactive protection for works or sound recordings under Belarus' intellectual property law, which came into effect in August 1998. Belarus has amended its Criminal Code to adopt penalties for intellectual property rights violations. Nevertheless, pirated copies of video, audio, and printed materials as well as computer software can still be purchased in Belarus.

Belarus has taken steps to implement and enforce the WTO TRIPS agreement. The Civil Code and laws pertaining to intellectual property rights include provisions that facilitate implementation of the TRIPS agreement.

#### Transparency of Regulatory System

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The government of Belarus announced efforts to reduce bureaucracy and red tape. Nevertheless, bureaucratic procedures, including those for licenses and permits are neither sufficiently streamlined nor transparent and unnecessary red tape remains a problem. The rules of the game often remain inconsistent and change frequently.

The government claims the country's legal, regulatory, and accounting systems are transparent and consistent with international norms. However, businesses often call them burdensome, inconsistent and unfriendly. Regulatory policies are not fully transparent. Observers of the economic scene say that it is not so much existing laws that make foreign investors uncertain and cautious, but the lack of respect for law. Lack of consistency in numerous laws, presidential decrees and edicts is a big concern. This state of affairs is exacerbated by inefficient bureaucratic procedures. The Embassy has received complaints alleging that officials often give inconsistent or contradictory advice, fail to answer questions clearly, and fail to take responsibility for their actions. The amount of time that the government in Belarus requires to issue licenses/permits to businesses is one of the longest in the former USSR.

At the same time, tax laws do not normally impede investment. They have become more stable and predictable, and there were no instances of their retroactive application.

The Embassy has received no reports that labor, health, environment or safety laws have impeded investment.

Draft laws are seldom discussed publicly before being adopted. Independent observers note that the system of bookkeeping in Belarus is not completely consistent with international standards.

Belarus is a signatory of the 1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards - the "New York" Convention. Under the Convention, Belarus recognizes and enforces awards made in other States, subject to specific limited exceptions.

#### Efficient Capital Markets and Portfolio Investment

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Economic policies of the Belarusian government are not always conducive to free movement of financial resources, since government control is often too tight.

Private businesses have access to a variety of credit instruments, though interests are high. The time and cost of preparing all necessary paperwork often makes it difficult for small- and medium-sized businesses to try to secure many of the existing credit instruments.

There is a legal system for portfolio investment, though the level of such investment is low (0.1% of the total foreign investment in 2006) primarily because Belarus does not have a developed or efficient stock market. In the first half of 2007, portfolio investment totaled just \$1.4 million.

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Mutual shareholding is not common.

Belarus' banking system is stable. According to official sources the non-payment of loans is low. Belarusian banks offer interest rates of up to 15% on deposits of individuals and issue loans to enterprises with interest rates from 14 to 16%. The legal, regulatory, and accounting systems used by banks are fairly consistent with international norms.

Statistics on the total assets of the country's banking system are fairly reliable. As of November 1, 2007, they were \$18.7 billion, up 39% since the beginning of the year. Individual deposits make up more than 50% of all assets. Belarus' four largest banks -- Belarusbank, Belagroprombank, Belpromstroibank and Belinvestbank (each with a majority of its shares owned by the governments) -- hold approximately three-quarters of these assets.

Starting in 2008 Belarusian banks will follow international accounting standards in addition to preserving Belarusian standards of book-keeping.

#### Political Violence

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In the Embassy's estimation, the potential for widespread political violence that would adversely affect foreign property interests is low.

#### Corruption

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Belarus has laws, regulations and penalties to combat corruption. While the Embassy has received credible reports of corruption, particularly at the local level, U.S. firms have not identified corruption as a particularly significant obstacle to foreign direct investment. Belarusian business representatives, particularly those involved in import and export transactions, however, complain often of pervasive corruption.

A number of investigations in 2007 pointed to high-level corruption.

In June the Director General of Belneftekhim, the holding company controlling Belarus's petrochemical industry, was arrested. Also in June, the deputy head of a department within the Presidential Administration was charged with accepting a \$35,000 bribe. A former senior customs official was sentenced to 13 1/2 years in prison in July for heading a ring of 14 corrupt officials.

Belarus signed and ratified the Civil Law Convention on Corruption on December 26, 2005; the UN Anticorruption Convention on November 25, 2004; the Criminal Law Convention on Corruption on May 26, 2003; and the UN Convention against Transnational Organized Crime on May 3, 2003. Belarus is not a signatory to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

The list of major Belarusian agencies responsible for fighting corruption includes the Ministry of the Interior, the State Security Committee (KGB), the State Control Committee and the Security

Council. In July 2006, the president signed into law a bill on fighting corruption, complementing Belarus' existing anti-corruption legislation. The new law defines professions vulnerable to corruption, designates the Prosecutor General's Office as the coordinator of anti-corruption efforts and establishes limitations on government of Belarus officials' family members.

Giving or accepting a bribe is a criminal act, and penalties can be quite severe: up to 15 years of imprisonment. However, senior officials convicted of large-scale corruption can be released without penalty.

According to independent polls, corruption is most pervasive among local government officials, directors of large state enterprises, police and especially traffic police officers, doctors and teachers.

To the Embassy's knowledge, there are no local or international NGOs that help fight corruption in Belarus. The government is generally hostile to NGO that are not explicitly pro-government.

To the Embassy's knowledge, there have been no reports that any foreign investors have been implicated in bribery schemes.

#### Bilateral Investment Agreements

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In January 1994, the United States and Belarus signed a bilateral investment treaty, which has been ratified by both sides but not implemented. Implementation is unlikely in the near future. In addition, due to continuing repression of labor rights in Belarus,

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the United States removed Belarus from the Generalized System of Preferences (GSP) in 2000. The EU followed suit in 2007.

As of January 1, 2007, Belarus also has bilateral investment treaties with Poland, Vietnam, Finland, China, Germany, Switzerland, France, Great Britain, Sweden, the Netherlands, Romania, Iran, Italy, Turkey, Ukraine, Bulgaria, Serbia, the Czech Republic, Pakistan, Egypt, South Korea, Latvia, Syria, Cyprus, Tajikistan, Lithuania, the UAE, Israel, Singapore, Cuba, Libya, Qatar, Austria, Armenia, Mongolia, Lebanon, Macedonia, Croatia, Kuwait, the Belgium and Luxembourg economic union, Bahrain, Jordan, Yemen, Denmark, Oman, India, and Bosnia and Herzegovina. Belarus has multilateral investment treaties with Azerbaijan, Armenia, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan and Ukraine.

The USG has discontinued negotiations on the development of a bilateral taxation treaty. Belarus has fifty such agreements with other countries.

Belarus is a member of the Multilateral Investment Guarantee Agency of the World Bank since December 1992.

#### OPIC and Other Investment Insurance Programs

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In 1997, OPIC paid an expropriation claim filed by an American investor in a joint defense-conversion venture in Belarus, after the government nationalized the company without compensation. Shortly thereafter, OPIC suspended underwriting insurance in Belarus, until the government provides reimbursement for this claim.

#### Labor

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Belarus has a highly skilled and well-educated work force, due to its good system of higher and specialized education. Wages are much lower than in Western Europe, the United States and even Russia. The government is actively raising all salaries by fiat, in public and private enterprises, unconnected to increases in productivity. The government plans to double the average wage by 2010 to \$500 a month.



Belarus' Labor Code is the major law regulating all labor issues. Joint ventures and foreign businesses throughout Belarus are bound by the existing Labor Code. The Embassy has received no reports that the requirements of the Labor Code, per se, hinder foreign investment. State-owned industries are often overstaffed and not attractive to private investors unless the private investor can make personnel cutbacks. The government of Belarus, however, is reluctant to allow private investors to make these cutbacks.

In July 2000, President Clinton signed a proclamation withdrawing benefits under the Generalized System of Preferences (GSP) from Belarus. This decision was based on a 1997 American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) petition to the United States Trade Representative (USTR), which requested that the United States remove Belarus from GSP. The petition alleged that Belarus was not acting in accordance with the Trade Act of 1974, as amended, regarding internationally recognized worker rights. These include the freedom to form independent trade unions and the right to organize and bargain collectively. The EU suspended GSP benefits for Belarus in 2007 after the International Labor Organization found Minsk made insufficient progress in protect the labor rights. The rights of independent trade unions are often subject to government attack, as documented in the Department of State's 2006 Human Rights Report.

#### Foreign-Trade Zones/Free Ports

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In November 1998, Lukashenko signed a law on free economic zones (FEZ) in Belarus. The first such zone was established, before the adoption of the law, in the city of Brest. At present, each of Belarus' six regions has its own FEZ.

The tax and regulatory scheme applicable to businesses in these zones is, in principle, much simpler and more rational than elsewhere in Belarus. Significant tax benefits for businesses registered and operating inside the zones include, among others, import tariff and VAT exemptions and income tax reductions of 50% or more. In October 2005 the president signed an edict that established uniform rules for all FEZs. In order to avoid unfair competition of FEZ businesses with ones outside the zones, the edict made all benefits contingent upon either exporting products manufactured or producing products not in competition with those produced by existing domestic firms. The restrictions reflect the intent to use the FEZs to improve the balance of trade.

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#### Foreign Direct Investment Statistics

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Official Belarusian government statistics are fairly reliable. The figures below were drawn from statistics provided by the government of Belarus.

Foreign investment in 2006, the last year for which complete data are available, was more than \$4 billion, of which direct investment was \$859 million (18.5%). FDI represented only 2.6 % of the total investment in Belarus' economy. In 2007 the government plans to increase this share to 15-20%.

While it is suspected that many "foreign" investors actually represent domestic interests, according to official statistics, 80% of FDI came as loans from foreign investors, 10% came as contributions to charter funds and the remaining 10% came as other types of FDI. Most FDI came from Switzerland (66.4%), Russia (6.1%), Cyprus (3.8%), the United States (3.2 %), and Great Britain (3.1%).

The total volume of foreign investment in Belarus in 2006 (\$4 billion) was 11% of the GDP (\$37 billion).

In 2006, Belarus' FDI abroad was \$5.5 million, of which \$2.6 million was in the CIS (primarily Russia - \$1.9 million) and \$2.9 million was invested outside the CIS (primarily in the United Arab Emirates - \$2.4 million and the European Union - \$468 thousand)

As of January 1, 2007 Belarus had more than 3,500 organizations with FDI.

The list of major FDI in Belarus includes:

Coca-Cola Beverages Byelorussia (Coca-Cola's bottler);  
McDonald's Restaurants (five restaurants in the capital city of Minsk);  
Double Star International Ltd (candy production).  
MAZ-MAN (Germany) truck production;  
Mobile TeleSystems (Russia) provision of mobile phone services;  
Milavitsa (Italy, Estonia) lingerie production;  
Henkel Bautechnik (Austria) chemical production;  
Inko-Food (Poland) meat processing;  
Vicos Nahrungsmittel GmbH (Germany) production of confectionery;  
Maersk Medical A/S (Denmark) production of syringes;  
SB Telecom (Cyprus) provision of mobile phone services;  
Karl Zeiss (Germany) production of optics;  
Fresenius Beteiligungsgesellschaft GmbH (Germany) production of medical equipment;  
Raiffeisenbank (Austria) banking services;  
Fenox Automotive GmbH (Germany) production of replacement parts for automobiles.

In late 2006, Belarus and Russia signed a \$2.5 billion deal on Gazprom's purchase of 50% of Belarus' Beltransgaz (natural gas transportation company). So far, this has been the largest investment project in Belarus' history. Nevertheless, the payment is scheduled in equal installments in the course of the next four years.

#### Web Resources

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<http://www.mfa.gov.by/eng/index.php?d=economy> c  
<http://www.belarusembassy.org/economic/investments>  
<http://www.nbrb.by/engl/> (National Bank of Belarus)  
[http://www.pravo.by/win/other\\_legacts.asp](http://www.pravo.by/win/other_legacts.asp) .  
[http://w3.economy.gov.by/ministry/bip.nsf/all\\_eng.html](http://w3.economy.gov.by/ministry/bip.nsf/all_eng.html) (Belarus' major investment projects)  
<http://belarus.bel.biz>

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